



**CITY OF HUNTINGTON BEACH
PUBLIC WORKS COMMISSION
REQUEST FOR ACTION**

Item No. 07-023

SUBMITTED TO: Chairman Siersema and Members of the Commission

SUBMITTED BY: Travis Hopkins, PE, Acting Director of Public Works -
Engineering *[Signature]*

DATE: July 18, 2007

SUBJECT: Capital Improvement Program Fiscal Year 2007/08

Statement of Issue: The Capital Improvement Program (CIP) for Fiscal Year 2007/08 has been prepared and will be submitted for adoption with the City's annual budget, subject to the recommendation of the Public Works Commission.

Funding Source: Project funding sources are included in the CIP document.

Recommended Action: Provide review and comment and recommend the proposed FY 2007/08 CIP to City Council.

Alternative Action: Propose modifications to the CIP.

Analysis: A major component of the City budget process is the Capital Improvement Program (CIP). The proposed Fiscal Year 2007/08 CIP contains approximately \$42 million for improvement projects in the following categories:

- Drainage and Water Quality
- Facilities
- Neighborhood
- Parks and Beaches
- Sewer
- Streets and Transportation
- Water

A Five-Year Capital Improvement Program was developed to identify the major improvements to the City's infrastructure over the next five budget cycles. In general, the CIP includes projects costing \$50,000 or more. Funding will be authorized for the first year of the program upon adoption of the Fiscal Year 2007/08 budget. The long-range budget includes both anticipated one-time projects and multi-year programs.

Included in the CIP are projects approved in FY 2006/07 that have not been completed. These items are identified as continuing appropriations. The amount carried forward is approximately \$25 million, including:

- \$6.5 M -- City Hall Seismic Retrofit
- \$3 M --Property Acquisition for Heil Widening
- \$2.7 M--Park Improvements
- \$2.5 M --Downtown Street Improvements
- \$2 M --Heil Pump Station Property Acquisition
- \$2 M --Traffic Signal and Transportation Improvements
- \$1.7 M--Irby Park Urban Runoff Diversion
- \$1.2 M--Fire station and Central Library Renovations

Excess funds from the audited Fiscal Year 2005/06, in the amount of \$1,786,000 will be distributed as outlined in the City's Financial Policies. Fifty percent will be allocated to infrastructure in accordance to the adopted formula of 25% (\$893,000) to Capital Improvement Reserve and 25% (\$893,000) to the Infrastructure Fund. The amount represents 50% of the General Fund balance in excess of that required for fund reserves.

Enclosed under separate cover is the proposed Capital Improvement Program document that contains narrative summaries of funding sources, and detailed information sheets for each project.

TKH/LD:jg